

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
BREMEN PUBLIC LIBRARY  
MARSHALL COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
11/07/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt .....	8
Exit Conference.....	9

## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marsha L. Patterson	07-01-05 to 06-30-09
Treasurer	Fred J. Anderson	07-01-05 to 06-30-06
	Deanna Beall	07-01-06 to 06-30-08
	Gwen K. Hershberger	07-01-08 to 06-30-09
President of the Library Board of Trustees	Deanna Beall	07-01-05 to 06-30-06
	Paul Davis	07-01-06 to 06-30-08
	Fred J. Anderson	07-01-08 to 06-30-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE BREMEN PUBLIC LIBRARY, MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of the Bremen Public Library (Library), for the period of January 1, 2006 to December 31, 2007. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 30, 2008

BREMEN PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 156,531	\$ 491,217	\$ 507,681	\$ 140,067
Gift	31,257	8,288	3,154	36,391
Rainy Day	149,062	25,411	-	174,473
State Technology Grant	399	3,600	-	3,999
Bond and Interest Redemption	21,839	149,312	164,500	6,651
Library Improvement Reserve	601,082	642	-	601,724
Levy Excess	13,457	-	-	13,457
Fiduciary Funds:				
Payroll Withholdings	-	54,164	54,077	87
PLAC	-	465	465	-
Totals	<u>\$ 973,627</u>	<u>\$ 733,099</u>	<u>\$ 729,877</u>	<u>\$ 976,849</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 140,067	\$ 498,562	\$ 496,249	\$ 142,380
Gift	36,391	3,813	3,022	37,182
Rainy Day	174,473	81,095	-	255,568
State Technology Grant	3,999	3,600	3,600	3,999
Bond and Interest Redemption	6,651	169,161	168,500	7,312
Library Improvement Reserve	601,724	30,387	-	632,111
Levy Excess	13,457	-	13,457	-
Fiduciary Funds:				
Payroll Withholdings	87	59,098	59,185	-
PLAC	-	240	240	-
Totals	<u>\$ 976,849</u>	<u>\$ 845,956</u>	<u>\$ 744,253</u>	<u>\$ 1,078,552</u>

The accompanying notes are an integral part of the financial information.

BREMEN PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

BREMEN PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.



BREMEN PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
As of December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,000
Buildings	150,000
Improvements other than buildings	21,457
Equipment and electronics	<u>1,479,681</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,654,138</u>

BREMEN PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
As of December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal Due Within One Year
Governmental Activities:		
Capital leases:		
Building addition and renovations	\$ 501,500	\$ 167,500

BREMEN PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2008, with Marsha L. Patterson, Director; and Fred J. Anderson, President of the Library Board of Trustees. Our examination disclosed no material items that warrant comment at this time.